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WORLD OF SPORT

Year-end Sports Wrap-up

It's all in the WORLD OF SPORT TODAY

PA stamps fail to get seal of approval on Christmas cards

TOM GROSS

CHRISTIANS are having trouble sending their Christmas cards between Israel and the Palestinian Authority areas this year.

"I wanted to send some greeting cards to my friends in Jerusalem," said Linda, a student at Bethlehem University. "But I've heard they're not getting through. Palestinian post offices are refusing to accept cards with Israeli stamps, while the PA postage designs haven't got the stamp of approval from Israel yet."

Postal authorities in many Palestinian-controlled towns are only delivering letters and cards with PA stamps. Most have a picture of either Yasser Arafat or the Palestinian flag on them. But to be sure Palestinian Christians know the PA is looking out for them too - one stamp has a picture of Arafat with the Pope.

"I wanted to post my Christmas cards with Bethlehem postmarks," said one bemused Bolivian tourist who found herself in a sticky situation.

Locals have their own solutions. "The university authorities, who don't have to apply for permission to enter Israel, are going over to the nearby Jerusalem suburb of Gilo with a large sack and posting our mail using Israeli stamps," said Brother Vincent Malham, who teaches piano at the music faculty of Bethlehem University.



"When people want to send mail abroad, this is not so difficult, as the Palestinian stamps can be delivered via Jordan or Egypt. But the problem is writing to Israel," said Fadi, a second-year business and marketing student.

"Incoming letters with Israeli stamps get here eventually, but take at least twice as long as they should do to reach us from nearby Jerusalem. The atmosphere in Bethlehem this Christmas is very different from the euphoria in the town a year ago, following the withdrawal of the IDF. The authorities have been hit by a cash crisis that has meant they have had difficulty finding funds to pay for fireworks, decorations, cleaning, road repairs and the thousands of colored light bulbs to adorn the city in the run-up to tonight's Midnight Mass celebrations, which will be broadcast around the globe.

"We are facing Christmas without enough money to beautify the city," said Elias Freij, the town's Christian mayor, as well as the Palestinian minister of tourism. Last year, although Israel had already handed the town over to Palestinian control two days before Christmas, the government footed the bill.



US envoy Dennis Ross (left) and Palestinian Authority Chairman Yasser Arafat speak to reporters yesterday in Gaza after meeting for another round of discussions on the long-awaited Hebron redeployment.

Gov't to hit women, employers for another NIS 350m. in revenues

EVERLYN GORDON AND DAVID HARRIS

THE government plans to raise another NIS 350 million in revenues by removing certain tax benefits from working women and by increasing the number of sick-leave days for which an employer has to pay.

This solution was decided upon after the numerous changes made to the economic arrangements bill in the Knesset Finance Committee Sunday left the government with a revenue gap of several hundred million shekels. Since the government cannot propose amendments to its own bill, Likud faction chairman Michael Eitan submitted these proposed amendments on its behalf, to be passed with the budget during its second and third readings.

Treasury director-general David Broder admitted last night that the government has raised taxes. "We have tried very hard not to increase taxation. We have not increased VAT, income tax, or employers' National Insurance contributions, but we have increased taxes, say, on cigarettes and fuel."

According to Finance Committee chairman Avraham Ravitz (United Torah Judaism), the main proposal is the cancellation of the tax credit given to working women when the National Health Insurance Law was passed two years ago. This would save the government some NIS 300m. a year.

Employers now pay for the first two days of sick leave and the National Insurance Institute pays thereafter. The proposed amendment, according to the Treasury, would have employers pay for the first nine days.

That would give employers an incentive to crack down on people who stay out for long periods when they are not really sick and save some NIS 80m. a year, Ravitz said. Ravitz broached the issue of these revenue-raising amendments during his speech kicking off the plenum debate on the bill's second and third readings. "There are still a few amendments which we will recommend that you pass," he said.

These would be in addition to the sizable hike in gasoline and cigarette taxes the government has imposed. (See box) The debate itself is expected to

last through the middle of next week, as some 5,000 amendments have been submitted to the bill. Since each amendment entitles its proposer to five minutes of speaking time, the debate could, in theory, take more than 400 hours. In practice, many MKs will lose their

turn by failing to show up. In a rare move, however, all 120 MKs will have to be available to vote virtually throughout the entire debate.

In previous years, the government and opposition always agreed to hold all the votes at the end of the debate, leaving MKs free to ignore the debate until (Continued on Page 2)

PM hopes summit will yield deal

DAVID MAKOVSKY AND JON IMMANUEL

PRIME Minister Binyamin Netanyahu and Palestinian Authority Chairman Yasser Arafat are expected to meet today or tomorrow over the Hebron redeployment deal.

The premier was awaiting an answer from Arafat late last night whether such a meeting would be for actually signing a deal, and not for further bargaining. Arafat reportedly said he would meet Netanyahu today, Israel Radio said.

Once again, there was hope that, after so many reversals, the protracted negotiations on the IDF pullback in Hebron may finally reach a successful conclusion.

Jordan's King Hussein phoned Netanyahu last night and voiced optimism that the two sides were near agreement. Palestinian negotiator Mahmoud Abbas said that he also thought an agreement was very near.

"We expect a deal tonight. Negotiations are continuing," said Palestinian negotiator Jamil Tariqi, on his way into Hebron talks at Jerusalem's Laromme Hotel between Israeli and PLO officials. He did not elaborate.

Last night, US special Middle East peace coordinator Dennis Ross informed Netanyahu of his sudden trip to Egypt yesterday, which was designed to obtain President Hosni Mubarak's blessing on what has been obtained by Israeli and Palestinian negotiators.

Officials said they expect some Egyptian representation at a signing ceremony, creating speculation that this would be Foreign Minister Amr Moussa. Ross, who was scheduled to

return to the US last night, has extended his stay. He was scheduled to meet Arafat late last night in Gaza to find out, in the words of Netanyahu, "whether Arafat is ready to close."

Netanyahu wants to avoid a situation whereby the Palestinian leader would try to use a summit meeting for final bargaining, senior Israeli officials say, based on the experience of Arafat's negotiating maneuvers during the past few years. Hence, Netanyahu wants to know in advance the nature of the meeting with Arafat, according to the sources.

Moreover, some officials suggested that Netanyahu would prefer the meeting be held secretly, fearing that Arafat would seek to leverage the build-up of a public meeting as a means to wring final concessions.

It seems that a key turnabout occurred in an all-night session Sunday which ended before dawn yesterday morning in Gaza. The meeting was important, as it included not only Arafat and Ross, but also top negotiators Yitzhak Molcho and IDF Planning Branch head Maj.-Gen. Shaul Mofaz.

Officials say this session was crucial in enabling Arafat to directly understand detailed Israeli security concerns. Apparently at this meeting Arafat accepted restrictions on weaponry Palestinians could use in zones around Hebron, including surrounding hillsides.

Apparently, Arafat's agreement to restrict weaponry comes amid Israeli agreement to be more forthcoming. It remains unclear what (Continued on Page 2)

Gasoline and tobacco prices rise

DAVID HARRIS

THE price of unleaded gasoline rose 9.5 percent last night, as the government announced increases in the prices of both fuel and cigarettes. Foreign cigarettes rose in price by an average 10.8%, and local cigarettes are up some 13.2%.

The increase in fuel prices will bring up to NIS 750 million into government coffers, according to a senior source in the National Infrastructure Ministry's Fuel Administration. However, Treasury budget director Ran Kroll said this increase will only net the government some NIS 250m.

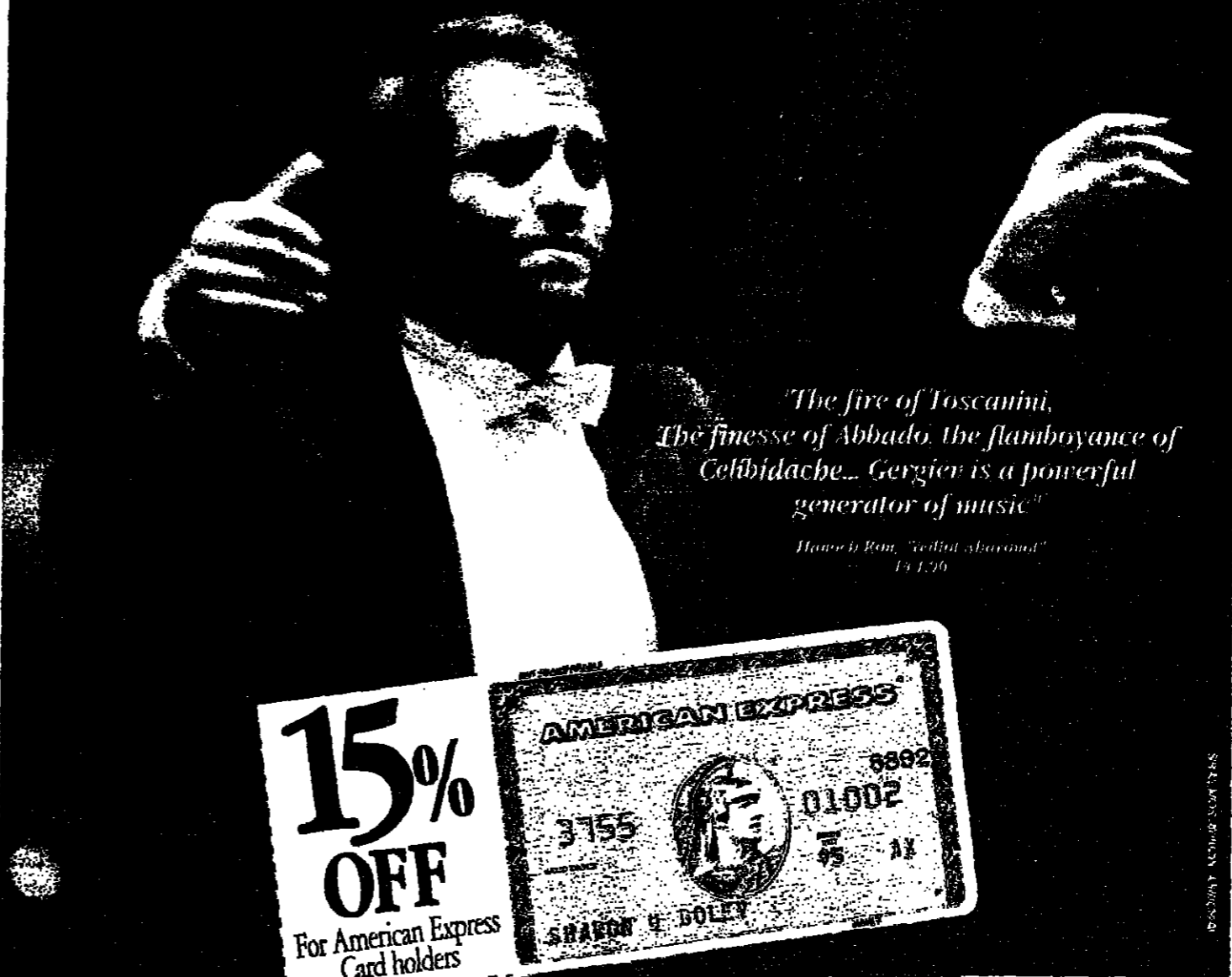
The price hikes include:
• 96 Octane gasoline up 6.5% to NIS 3.19.
• Unleaded gasoline up 9.5% to NIS 3.19.
• Kent, Marlboro, and Parliament cigarettes up to NIS 10.30 a pack.
• Time, Time Light and Europa cigarettes up to NIS 6.30.

Meanwhile, the excise duty on kerosene, diesel for transport vehicles, and heating fuel was reduced by 33%. This does not mean, however, that there will be a 33% price reduction on these products. More budget coverage, Page 12

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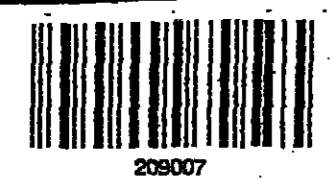


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Thursday 9.1.97 at 20:30 Aqaba, Jordan: Opening Festive Concert, Under the Patronage of Her Majesty Queen Noor of Jordan. Shirbani Shakyer Oded Zahavi works commissioned in honor of Peace Messengers' Night on a Bald Mountain Rimski-Korsakov; S. Beharavale Ippolito-Arenace Cavatoni Sketches. Friday 10.1.97 at 21:00 Eilat: Festive Concert in the presence of Mr. Gadi Kadush - Mayor of Eilat, Ramona and Juliet in Music. Berlin: Romeo and Juliet - Dramatic Symphony Maria Tassisova, mezzo-soprano Tena, to be announced Sergei Alekshin, bass. Saturday 11.1.97 at 21:00 Eilat: Verdi - "Requiem". Sharna Sweet, soprano Maria Tassisova, mezzo-soprano Tena, to be announced. Gagan Gaganov, tenor Sergei Alekshin, bass. More Concerts at 11:00: A-Cappella - "Kirov" Opera Choir, at 19:00: Concert of Musicke. Sunday 12.1.97, 16:00 - Eilat: A Family Concert, Borodine Polovtsian Dances from "Prince Igor" Py-Achier: "Peter and the Wolf".

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NRP slams Stern for remarks supporting Palestinian state

NATIONAL Religious Party MKs and senior members unanimously condemned MK Avraham Stern for supporting the creation of a Palestinian State during recent interviews.

Although Stern said his statements had been taken out of context and misinterpreted, he refused to unequivocally retract them.

"For the moment we must stick by the party platform. That's not to say that in another three months we shouldn't discuss it," Stern reportedly said at the meeting.

In an interview in Ha'aretz yesterday, Stern was quoted saying the question of a Palestinian state is what prevents a broad national consensus.

"Therefore I don't rule it out altogether, if there is a chance for a peace arrangement and that is the element which holds it up," he told Ha'aretz. "I don't want a Palestinian state either, but it doesn't seem to me to be a sacred issue. In my opinion, it's possible to create such a state on condition it doesn't have a massive military, the ability to produce arms, and the right to exchange ambassadors with other countries."

He made the comment in response to the statements made by the prime minister's communications director David Bar-Illan in an interview with The Jerusalem Post on Friday.

LIAT COLLINS

At the end of yesterday's meeting, however, the NRP issued a statement saying it upholds its platform, which states that there will be no Palestinian state or foreign national entity between the Jordan River and the Mediterranean Sea.

"The NRP faction unanimously determines that the movement's platform is binding on Knesset votes on political issues and calls on its members to represent its political stand only within the framework of the platform," the statement said.

In the closed meeting, party members roundly castigated Stern, party sources said. Former MK Haim Druckman described Stern's statements as "incomparably and irreparably miserable, deeply wounding the position of the State of Israel."

NRP faction chairman Hana Porat told Stern "in my opinion you have crossed a red line. It is a great disservice to the state and movement."

MK Shaul Yahalom dismissed a suggestion to convene the party's central committee over Stern's statements, saying it might give the impression that there is something to discuss. The Third Way also discussed the issue in its

faction meeting.

"We decided to ask our friends in the Likud to stop the meetings with [Labor MK] Yossi Bellin and his friends because these meetings were intended to establish on the ground the Beilin-Abu Mazen plan, which the Third Way can't accept. It abandons the Jordan Valley and would hand over more than 90 percent of Judea and Samaria to the Palestinians," said Third Way faction chairman Yehuda Harel, who accused the Likud of "ideological demoralization."

Stern's statements, and comments by Yehuda Lankri (Gesher) on the possibility of a cross-party consensus to support permanent arrangements based on the principle of separation also came up in the Labor faction meeting.

MK Ephraim Sneh said the statements by these coalition MKs were important "for recognizing that there is no turning back from what has been reached with the Palestinians and no better compromise than that based on the principle of separation."

Roby Rivlin (Likud), however, accused Stern and Lankri of seeking headlines.

"There are those who think it's in to say the creation of a Palestinian state is desirable. It's not 'in.' It will cause us to be out. An 'in' Palestinian state means the Israeli state will be out."

Bentsur: Russia plans MKs tour Ras al-Amud Israel-Arab summit

RUSSIA is planning to host summit with Israel, the Palestinians, and Arabs states in the aim of reviving the Madrid formula and hastening multilateral negotiations in particular, Foreign Ministry director-general Eitan Bentsur said yesterday.

There has been no progress in some of the multilateral groups for a long time.

Bentsur also said an Israeli-Palestinian meeting would soon take place in Gaza under Norwegian sponsorship, with the hope that humanitarian organizations will attend, as part of an effort to decide on ways to build trust.

The idea behind the gathering is that an improvement in the welfare of Palestinians will help strengthen the peace process. The Foreign Ministry welcomed the meeting.

Bentsur also said that Israel, the Palestinians, and the Arabs states involved in the peace process are trying to develop a "code of behavior" in the aim of preventing an immediate connection between the Israeli-Palestinian peace process and Israel's peace process with the Arab states.

This initiative is apparently due to the strong reaction of Egypt and Jordan to the difficulties in the negotiations on Hebron. (Itim)

MEMBERS of the Knesset Interior Committee toured the Ras al-Amud neighborhood yesterday to see the area slated for Jewish housing that has roused the ire of Arabs.

The MKs did not change their views during the tour and stuck with their party lines.

MK Benny Elon (Moledet) said he was surprised by the amount of housing and property being sold by Arabs to Jews in the Jerusalem area. He said some members of the Palestinian Authority were cooperating silently with this.

Elon accused Arab MKs, and in particular Salah Salim (Hadash), of inciting Ras al-Amud's Arab residents to turn Jerusalem into the capital of a Palestinian state. Salim denied incitement.

"This neighborhood will be built, not immediately because the

LIAT COLLINS

political and international situation doesn't permit it," said Emanuel Zissman (Third Way), "but many things are built in Jerusalem when one acts wisely and sensibly."

Avraham Poraz (Shinui-Meretz) said that just as he "would object to establishing an Arab neighborhood in western Jerusalem, without harming the city's unity, I think it would be a mistake to build a Jewish neighborhood here."

Avraham Stern (National Religious Party) said there are "things one can compromise on, but not on Jerusalem. If we make even the smallest concession on Jerusalem we will lose the battle."

Committee chairman Sallah Tarif (Labor) warned it "is dangerous to build here. It's likely to turn into a second [Western Wall] Tunnel episode."



Top Palestinian negotiator Mahmoud Abbas leaves the King David Hotel in Jerusalem yesterday, following talks on the Hebron redeployment with an Israeli delegation that included Prime Minister Benjamin Netanyahu.

Hebron settlers: Pact will lead to our community's destruction

HEBRON settlement activists lobbying legislators in the Knesset last night warned it will only be a matter of time after a Hebron redeployment agreement is signed before the Jews there become targets of terror.

"If the agreement is signed as it is, it will be just a matter of time before Jewish blood is spilled in the city," said Moshe Ben-Zurim, a spokesman for the settlement.

None of the Hebron activists had any information on the agreement beyond what was reported in the media, but they gave the

impression that they thought the long-delayed agreement would soon be signed.

"I feel that we have been deceived by [Prime Minister] Netanyahu," Ben-Zurim said. "He has not lived up to his agreement with the voters."

Hebron settlement leader Noam Arnon said of the agreement, "This is the first step towards the destruction of the Jewish community in Hebron."

What particularly concerned

Arnon were reports that Shuhada Street, which goes from the Machpela Cave to Tel Rumeida, will be opened to Palestinian traffic. He said this will enable drive-by shootings, attempts by Palestinians drivers to run over Jews, and even the planting of car bombs on the main artery serving what Arabs termed the "Jewish ghetto."

"Netanyahu will go down in history as the prime minister who led to the destruction of the Jewish settlement in Hebron," Arnon said.

On the anniversary of the passing of our dear mother and grandmother

LILLY SEGAL 77

Services will be held on Friday, December 27, 1996 (14 Tevet, 5757), at 2 p.m., at the Sdeh Yehoshua Cemetery, Gate Aleph (Kfar Samir).

Roni and Ehud Goldberg and family
Leah Weiss and family

Mordechai leaves for Egypt

ANSWERING a personal invitation from President Hosni Mubarak, Defense Minister Yitzhak Mordechai pays an official visit to Egypt today and is expected to update the Egyptian leader on the progress in the talks with the Palestinians.

"It's my intention to tell the president that Israel's face is turned toward peace and security with all nations in the region, to examine with him ways to strengthen the relations between Egypt and Israel and to update him on the negotiations with the Palestinians," Mordechai said last night.

The visit will be the first to Egypt by Mordechai, a former OC Northern Command and decorated veteran of fierce fighting against the Egyptians in the Yom Kippur War.

Arieh O'Sullivan

(Continued from Page 1)

then. This year, however, Labor insisted that votes be held on each separate item as it came up, and the coalition decided not to use its majority in the Knesset House Committee to force a different arrangement.

"I will fight for the right of opposition MKs to express themselves and criticize the government, just as we did during the last government," Eitan said. "We will try to have all arrangements regarding the voting reached by agreement, so that MKs' right to express themselves will not be restricted."

During the opening of the debate, Ravidz praised the last-minute changes in the bill, saying there was no need for further

SOCIAL & PERSONAL

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BUDGET

amendments (other than the revenue-raising measures).

"The bill is now more progressive than the original proposal," said Ravidz. "As far as I am aware, changes such as [Finance] committee members made in the economic arrangements bill are unprecedented... and I definitely also attribute this to the flexibility of the finance minister [Dan Meridor]."

Avraham Shohat (Labor), the first opposition speaker, responded by decrying the government for its inability to pass its original program.

Shohat quoted Prime Minister Benjamin Netanyahu's now-famous "read my lips" promise not to raise taxes, made this summer in Caesarea, as well as his statement at the same forum that "we will pass the budget exactly as we presented it."

"Not a single promise was kept," Shohat said. "What did they do? They raised taxes!"

"I said [when the bill was first presented] that it would not pass in the same form as it entered the Knesset... but I never dreamed it would undergo such major changes," he added. "We have here a new economic arrangements bill."

Liav Collins adds: The Labor Knesset faction scorned the government's budget proposals during its weekly meeting yesterday.

"It contradicts what the prime minister said [about no tax hikes]," said Labor leader Shimon Peres. He said Labor would "definitely vote against" the budget.

"You can't cheat the economy. There are a lot of tricks and pretense going on here. It will bring about a recession... It's so easy to cut on paper without making any real cuts in effect," Peres said.

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In deep sorrow, we announce the death of our dear husband, father, grandfather and brother

CAROL PICKEL

The funeral will take place today, Tuesday, December 24, 1996, at 2:30 p.m., at the Savyon cemetery.

Shiva will be held at the Patt residence, 51 Hagdoret Street, Savyon.

Mourning by his:

Wife: **Rose Pickel**
Daughters: **Anne and Gideon Patt, Renée and Alex Monro**
Grandchildren: **Daniel and Jodi Patt, Doron and Deborah Patt, Efi Patt**
Brother: **Arie (Louis) and Lea Pickel**
Sister: **Eilizabeth Lipechutz**

In deep sorrow we announce the passing of our father and head of the family

ZVI AVNON

The funeral will take place today, leaving from the Sanhedria Funeral Home, Jerusalem, at 11 a.m. for the Mount of Olives, Jerusalem.

Mourning by his:

Son, **Dan Avnon and family**
Daughter, **Ruth Gilad and family**

NEWS IN BRIEF

Korman's appeal against remand rejected
The Supreme Court rejected Nahum Korman's appeal against his remand yesterday. Korman, a security coordinator for the settlement of Betar, is charged with beating to death 11-year-old Hillel Shousha while chasing a group of stone-throwing youths. Justice Yitzhak Zamir said the alleged facts of the case create a presumption that Korman is dangerous, and, once someone is presumed dangerous, alternatives to arrest are not possible.
Evelyn Gordon

Isaac Stern made Diaspora Museum fellow
Violinist Isaac Stern was made an honorary fellow of the Diaspora Museum in Tel Aviv yesterday. The citation praised Stern as a musician and friend of Israel, and for the time he has devoted to training Israeli musicians. Philanthropist Sara Mayer, a long-time Diaspora Museum supporter, was also awarded an honorary fellowship.
Helen Kaye

Moshav family find 'alien,' store it in freezer
A family on Moshav Ahud in the western Galilee has frozen what it claims is an alien life form, after no local or government agency would come to examine it, police said.

The family, who found the small "alien" in their barn, said they would keep it frozen in their home until it is examined by an expert.
Itim

PM to visit Pope next month
Prime Minister Benjamin Netanyahu was quoted yesterday as saying he would meet Pope John Paul II at the Vatican next month. Netanyahu, who has not met the Pope since his election last May, said in an interview with Telepace, a Rome-based Catholic television station, that he had scheduled the meeting with the Pope two days ago.

"I will be in Rome at the end of January and on that occasion, naturally, I will visit the Pope and the Vatican," he said.

The Vatican and Israel established full diplomatic ties two years ago. Both sides are still formally at odds over the status of Jerusalem. Last Thursday, the Pope and Palestinian Authority Chairman Yasser Arafat discussed the peace process in a meeting at the Vatican.
Reuters

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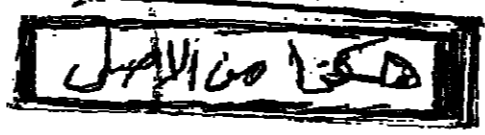
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Thousands of senior citizens demonstrate outside the Knesset yesterday to protest the budget cuts, which will eliminate their discounts to parks and places of entertainment. 'The nation's senior citizens are concerned and anxious not only for the future of our pensions, but for daily means of existence,' said Gideon Ben-Yisrael, head of the senior citizens action committee. (Yitzhak Elitser)

1996 set to be worst year ever on Israel's roads

25,830 accidents projected for the year; 46,845 people injured, up 21.6%

THERE will have been some 25,830 traffic accidents by the end of the year, a 19.1% increase over last year and the worst year ever. The number of people injured in traffic accidents will reach some 46,845, up 21.6%, the Knesset Economics Committee heard yesterday.

At that rate, Committee chairman Elie Goldschmidt (Labor) said an astounding 600 out of every 1,000 Israelis will be involved in a road accident some time in their lives, and one out of every 20 will be either killed or seriously injured.

The Transportation Ministry plans a number of new traffic safety programs in 1997, ranging from road-safety courses for elderly

EVELYN GORDON

pedestrians to increased lighting on busy roads. Transportation Minister Yitzhak Levy told the committee.

Levy said he intends to make road safety his ministry's top priority. As a first step, he said, he plans to make the Road Safety Administration and other units dealing with road safety directly responsible to him.

Levy plans to set up an authority to coordinate a war on traffic accidents - one of the measures included in a road safety bill that has been stalled in the Knesset due to Treasury opposition.

This authority would include a research institute to serve all min-

istries that deal with road safety, a unit to promote public awareness of road safety, and a program to train civilian drivers through the IDF. Army teachers and National Service women would instruct the elderly on the rules of pedestrian safety, as many accidents involve elderly pedestrians.

Also planned are better lighting for busy roads, electronic road signs that will be easier to read, the testing of a new material to reduce skidding on roads and the computerization of traffic tickets, Levy said.

Goldschmidt noted that traffic accidents result not only in loss of life, but also in economic losses. Accidents cost the economy about NIS 1.2 billion this year, he said.

Petah Tikva religious schools taken to court over discrimination

EVELYN GORDON

TWO parents and an MK petitioned the High Court of Justice yesterday against alleged ethnic discrimination in the Petah Tikva state religious schools.

Two elementary schools, Yavne and Naot David, have divided all grades into two tracks - the Torah track and the science track. In the Torah-track classes, girls and boys learn separately, and the pupils get an extra seven to nine hours a week of classes in religious studies. Torah-track students must also pay an additional fee. In the science track, the classes are co-educational.

However, the petition charged that the two tracks are merely an excuse for separating Ashkenazim from Sephardim and new immigrants. Currently, the science track consists of 65 students, of whom three are new immigrants from the former Soviet Union, 15 are Ethiopian immigrants and the remainder are Sephardim, the petition said.

The petition noted the science-track classes are far smaller than the norm, furthering the impression that they were set up exclusively to weed out a few undesirable pupils. One first-grade science-track class, for instance, has only five pupils, and there are only seven pupils in one of the fifth-grade and one of the sixth-grade science classes.

When Esther and Nissim Haim decided to move their daughter into the Torah track, they were refused, even though they were willing to pay the fee, the petition said. The couple was asked to fill out a questionnaire about their religious practices, since the official reason for the two tracks is the pupils' different levels of religiosity, but were refused even though their answers were acceptable, the petition charged. The Haims, together with MK Ran Cohen (Meretz), petitioned the High Court against the entire separation system.

Court: Gynecologist must stay in jail during rape trial

EVELYN GORDON

A GYNECOLOGIST charged with raping two of his patients should remain in jail, the Supreme Court ruled yesterday, overturning a district court's decision that house arrest would suffice.

Dr. Bogdan Dekel is accused of raping two patients, one in 1994 and one in 1996. One of the women gave birth as a result; the other, a minor, had an abortion. Dekel is on trial in the Haifa District Court, which put him under house arrest. The state appealed that decision, arguing he should be in jail.

The state argued that if Dekel were released, he would try to destroy evidence or intimidate witnesses. He has already tried to hide at least one medical file, the state

said. Furthermore, it said, he has tried several times to persuade the younger victim not to testify, telephoning her and one of her teachers.

Dekel's attorneys argued that since he is no longer practicing, he is not a danger to society and, even if he were, house arrest would solve the problem.

Justice Tova Strasberg-Cohen decided Dekel should remain in jail at least until the two victims finish testifying. After they finish, or in two months if they are not done by then, Dekel can petition the district court for his release, she said.

"The gravity of the acts attributed to the respondent cannot be exaggerated," she added.

Katsav seeks to lure Russian tourists

HAIM SHAPIRO

THEY used to come with shopping bags full of dollars. These days, tourists from Russia use credit cards, but they still spend money very freely.

The Russian tourist is sufficiently sought after that Tourism Minister Moshe Katsav said this week he intends to send a ministry representative to Russia, even at a time when the ministry has to cut back on its activities because of budget cuts. An aide said that one of the reasons for encouraging Russian tourism was that it was less affected by unrest in the area.

"The Russians are less influenced by what is shown on CNN," said Moti Shilo, Katsav's press adviser.

During the first nine months of this year, ministry figures show that a total of 85,564 visitors from the CIS came to Israel, an increase of 6 percent over the same period last year. The figures for incoming tourism in general show that there were 2% fewer tourists.

The slump, according to the experts, was largely a result of a sharp drop after the bus bombings in March. In September, while incoming tourism was down 15% compared to the previous year, visitors from the CIS had decreased by only 1%.

"It is a very interesting market, close to Israel and with great potential," said Ami Edgar, director

of the Association of Tour Agents. He said some of the visitors from the former Soviet Union are relatively poor Christian pilgrims, but many others are very wealthy. Russian tourism in the winter to Eilat was already well-established, he said, and the flow of tourists fleeing from the Russian winter to the Dead Sea was also promising.

As lucrative as the Russian tourism market is today, it could easily be increased if the government were willing to take down some of the barriers it has put up in the face of Russian visitors. With suspicions that Russians want to come to work, it is hard for Russian tourists to get a visa.

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DJ 30 ... 8494.4 +0.18%

NYSE stocks
Volume up in 1000s ... 1180
Volume down in 1000s ... 7284

Other stock market indexes
FTSE 100 ... 2917.5 -0.14%
Nikkei 225 ... 14700.0 -0.09%

Israeli stocks in US
NYSE / AMEX / NASDAQ / OTC
Am I Pco ... 38.5 +0.75
Am I Pco ... 38.5 +0.75

LIBOR RATES
Dollar 3 months ... 5.75
Dollar 6 months ... 5.75
Dollar 12 months ... 5.75

Foreign financial data courtesy of CommStock Trading Ltd.
Futures, Options, Stocks, Bonds, and Mutual Funds

US commodities
Cocoa (May) ... 1730
Coffee (May) ... 112.5

Spot market metals (US)
Gold spot ... 367.7 +0.05
Silver spot ... 4.84 +0.01

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Shares gain ahead of rate-cut decision

SHARES closed higher yesterday as investors waited for the Bank of Israel's announcement on interest rates, traders said. At the end of the trading day, the Bank of Israel said it was lowering its key lending rates for January by 0.5 percentage point to an annualized 14.7 percent.

Eurobourses mixed in weak Christmas trade

LONDON (Reuter) - European bourses put on a mixed performance yesterday but trading was thin ahead of the Christmas break and some investors took profits after strong gains.

Dow posts slim gain

NEW YORK (AP) - Stocks were mostly lower yesterday amid some profit-taking on last week's advance, particularly among technology shares, but the Dow Jones industrial average recovered late in the session to post a slim gain.

SUMMIT

(Continued from Page 1) concession was made, but the speculation is that it is linked to a timetable on the first of three IDF pullbacks.

Vertical text on the left margin: 24, 1996, 2001, NBS rise, KEYS

Weizman 'regrets' humiliating gays

THE conflagration sparked by President Ezer Weizman's remarks about gays was put out yesterday, but the embers were still burning, following a lengthy meeting between the president and representatives of the gay population, who were joined by MKs.

"The president sees legislation which discriminates as undermining the foundations of democracy, the rules of natural justice, and the dignity and freedom of man, and he has no intention of encouraging legislation which leads to discrimination between citizens of the state regardless of origin, religion, sex or sexual orientation," a statement released after the meeting said.

"The president says that any deed or expression in which people are publicly humiliated - or deeds which can be interpreted as such - should be regretted," the statement continued. "The dignity, rights and well-being of all the citizens of Israel must be upheld."

The statement was read out by Weizman's bureau chief, Arye Shumer, to the press. It followed an hour-long meeting between the president, his wife Reuma at his side, and representatives of the Society for the Protection of Personal Rights, led by Dr. Uzi Even. They were accompanied by

BATSHEVA TSUR

MKs Yael Dayan and Ofer Pines of Labor, and Meretz leader MK Yossi Sarid and MK Naomi Chazan.

"It was not an easy meeting but it was most helpful," Sarid said later. "The president saw that gays are human beings without horns, exemplary citizens. If he had known this before, he would not have made the remarks."

Sarid said he was encouraged by the fact that the president had withdrawn his remarks about the need for legislation against homosexuals and that he had expressed regret.

Dayan, who heads the Knesset lobby for gay rights, and is Weizman's niece, appeared somewhat less satisfied, saying that the president had "not said enough after he said too much." She expressed the fear that those who had jumped onto the bandwagon - "rabbi, MKs" - would not quiet down quickly and that the delegitimization of a large segment of the population could lead to violence against them.

"The president did not apologize," she said. "That is not his style. But he did understand things he had not known before, such as the legislation in the Knesset which speaks of sexual orientation and

not sexual perversion, and the IDF regulations about homosexuals. This has been an expensive lesson for the [gay] community. I hope the president won't slip up again in the future," she said of her uncle.

Even said, however, that the gays were "satisfied with what we achieved. We had a chance to express our deep hurt over the president's remarks... We understand that he is ready to accept now that things are not the way they were when he was a youngster. The atmosphere was one of reconciliation."

He said the president learnt that gays constitute 10 percent of the population. "There is now an attempt to prevent further damage and the dialogue will be continued," Even said.

The World Congress of Gay and Lesbian Jewish Organizations sent a letter to Weizman expressing concern over his remarks. The group urged him to retract them and apologize.

Outside Beit Hanassi, about two dozen demonstrators carrying the national flag with the word "Moledet" (Homeland) printed on it in green, kept up a steady chant: "Homos, go back to the closet." Several of the demonstrators held placards bearing the formula: "Homo + Lesbian = Meretz."



A demonstrator with a sign reading "The Bible says! Homosexual = beast" protests outside Beit Hanassi yesterday, during a meeting between President Ezer Weizman and a delegation of gays. (Brian Bender)

WEATHER

Forecast: Partly cloudy to clear.

AROUND THE WORLD

City	Low	High	Wind	Cloud
Amsterdam	02	08	16	clear
Berlin	02	08	16	partly cloudy
Buenos Aires	02	18	25	clear
Chicago	01	11	14	partly cloudy
Copenhagen	02	08	16	partly cloudy
Frankfurt	02	08	16	partly cloudy
Helsinki	02	08	16	partly cloudy
Hong Kong	14	20	18	clear
London	02	08	16	partly cloudy
Los Angeles	02	18	25	partly cloudy
Madrid	02	08	16	partly cloudy
Moscow	02	08	16	partly cloudy
Munich	02	08	16	partly cloudy
Paris	02	08	16	partly cloudy
Rome	02	08	16	partly cloudy
Stockholm	02	08	16	partly cloudy
Tokyo	02	08	16	partly cloudy
Toronto	02	08	16	partly cloudy
Vancouver	02	08	16	partly cloudy
Zurich	02	08	16	partly cloudy

Histadrut mulls national strike

THE Histadrut will decide today whether to stage a national labor strike on Thursday, in response to the government's budget proposals.

At a meeting yesterday Prime Minister Binyamin Netanyahu told Histadrut chairman Amir Peretz that in setting the budget proposals the government has gone a long way not to affect the workers or the weaker classes. There are no direct increases in taxation, and the government aims for continued economic growth, tamed inflation and lower unemployment, Netanyahu said.

The Prime Minister asked the Histadrut not to strike. Peretz told him a decision would be taken today during a meeting of Histadrut senior officers.

Meanwhile, the Treasury last night issued an updated list of its budget proposals and changes it agreed with the Knesset Finance Committee. These include:

-Capital-investment aid to factories, where the total investment is more than NIS 160 million, at 20% in development zones A and

DAVID HARRIS and DAVID RUDGE

10% in zones B. Where the investment is less than NIS 160m., at 24% and 12%. These rules will only apply in 1997, before reverting to 20% and 10% rates.

-Capital-investment aid to tourism projects at 20% in A zones and 10% in B zones.

-Capital-investment aid in agricultural projects at 30% in A zones and 10% in B zones.

-Soldiers' demobilization grants. Within 60 days officials will come up with new proposals.

With regard to privatization, Netanyahu said he would arrange a series of meetings during the process of selling state assets. The Histadrut has made plain its strong opposition to the government's intention to sell many of its companies, starting next year. The Histadrut claims this will lead to widespread job losses, an argument refuted by the government.

The Histadrut decided over two weeks ago to declare a general

labor dispute on behalf of the organized workforce throughout the country, as a prelude to the proposed strike to protest the government's budget cuts.

The Tel Aviv Regional Labor Court Sunday ruled in favor of a petition by the management of Mekorot and its subsidiary Shaham against the workers staging a general strike.

The court ruled that the workers could stage a local strike for a three-hour period from 1 p.m. on one day only from Thursday, provided it was coordinated between management and works committees at the water company's various sites.

Ahead of the commencement of the Knesset debate on the Budgetary Arrangements bill, Finance Minister Dan Meridor told reporters he believes the market should be very satisfied with the budget deliberations in recent days. "I look at the general picture, before I go into the details," he said. "I won't claim victory, until the work is finished next week in the Knesset plenum."

Nazareth ready for Christmas

NAZARETH is putting up more decorations and planning more events to make this year's Christmas celebrations as festive as possible.

More decorations are lining the streets of the mixed Moslem and Christian Arab city this year, enlivening the atmosphere, and extra events are planned in addition to the traditional ones to mark the holiday and the new year.

Hotels in the city were reported to be nearly full with pilgrims and foreign visitors, despite the drop in tourism.

Shops, meanwhile, appeared to be doing a brisk trade in the sales of presents, trees and decorations

DAVID RUDGE

for the holiday, despite concern of a possible recession because of budget cuts and the prospect of higher taxes.

"There is a real holiday atmosphere in the city. There are more street decorations and the shops are also decorated and playing Christmas music as in previous years," said Nazareth City Council spokesman Ramzi Hakim.

The traditional Christmas reception was held for leading local dignitaries and foreign visitors, including embassy representatives, at City Hall last night.

A Christmas parade is to be staged through the main street of

the city this afternoon, with the participation of choirs and groups from abroad, as well as Arab Christian communities in the region.

"More than 10,000 people are expected to take part in the parade itself," said Hakim. "Throughout the week, we will be staging many events including liturgical concerts in the city. These are all part of events leading up to Nazareth 2000."

Meanwhile, Palestinian Authority Chairman Yasser Arafat intends to be in Bethlehem for Christmas this year, as he was last year, tourism officials said yesterday.

Bethlehem Mayor Elias Freij is hospitalized with pneumonia and will not attend the festivities.

Haifa Chemicals talks break down

TALKS between management and workers of the strike-bound Haifa Chemicals factory broke down yesterday, despite some progress having been made. The Haifa Regional Labor Court will reconvene today to hear reports from both sides.

The Histadrut, in the talks yesterday, proposed that 60 employees take voluntary retirement and also agreed that any grade rises be deferred for a year, as well as other outbacks aimed at reducing the company's costs. Management, however, insisted that grade rises be deferred for two years and also complained about the difficulties in conducting negotiations while disruptive action by the workers continues.

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